

**WESTMONT COLLEGE DEFINED CONTRIBUTION RETIREMENT PLAN
403(b) SAFE HARBOR NOTICE**

To: **Employees Eligible to Participate in Westmont College's 403(b) Retirement Plan**

From: **Plan Administrator of the Westmont College Defined Contribution Retirement Plan ("Plan")**

Plan Sponsor: **Westmont College ("Westmont")**

Date: January 1, 2020

The following is a Notice that the Federal government requires that Westmont send to Retirement Plan eligible employees. If you are not eligible to participate in the Retirement Plan this notice does not apply to you. Please note that this Notice is not intended to communicate any changes in Westmont's Retirement Plan.

This Notice provides a brief summary about Westmont's contributions under the Plan, the contribution election process, vesting and in-service withdrawals. This Notice is required to be distributed annually to all participants of plans that meet certain Internal Revenue Code requirements to be considered a "safe harbor" plan. Basically, a "safe harbor plan" provides a required level of contributions and ensures that each eligible employee can receive Westmont's full matching contribution.

I. Making or changing your deferral election

As a Participant in Westmont College's 403(b) Retirement Plan, you may elect to defer a portion of your compensation. Westmont will contribute this amount (your "deferral contributions") to the Plan. To defer a portion of your compensation, you must complete the online salary reduction agreement provided by the Plan Administrator via Fidelity's website (www.netbenefits.com/westmont).

You may make or modify a salary reduction agreement during the 30-day period immediately preceding the Plan Year. Westmont will notify you of this right at least 30 days (and not more than 90 days) prior to the beginning of the Plan Year. For the Plan Year that you first become eligible to make deferral contributions: (1) you may complete a salary reduction agreement during a 30-day period that includes the date you become eligible; and (2) Westmont will generally notify you not more than 90 days before your eligibility date that you may complete an online salary reduction agreement.

You also may make or modify a salary reduction agreement: as soon as is administratively possible after the change/enrollment is made online.

II. Type and amount of compensation you may defer

You may defer any amount of your Compensation for the Plan Year, not exceeding the annual deferral limit in effect each year. For purposes of your deferral election, "Compensation" (available for deferral) is defined as: all pay from Westmont except pay based on: supplemental and overload contracts, overtime pay, and cash awards.

You may choose to make voluntary pre-tax deferral election contributions to the Plan as a percentage of Compensation. If you are under 50 years of age, the maximum dollar amount that you can contribute on a pre-tax basis in 2020 is \$19,500. If you are age 50 or older on your birthday in 2020 the maximum dollar amount that you can contribute on a pre-tax basis is \$26,000.

III. Safe harbor matching contribution

Employer Matching Contributions shall be made at a rate equal to 3 times the Employee rate of the Elective Deferrals of each Employee who is eligible for Employer Contributions, provided that the Employee has agreed to make Elective Deferrals at a rate up to the first 1 percent of Compensation. Further, Employer Matching Contributions shall be made at a rate equal to 2 times the Employee rate of the Elective Deferrals of each Employee who is eligible for Employer Contributions provided that the Employee has agreed to make Elective Deferrals at a rate above 1 percent and up to 3 percent of Compensation. An Employee's Elective Deferrals in excess of 3 percent of Compensation shall not be considered for purposes of the Employer Matching Contribution.

For example, if you elect to defer 1 percent of Compensation, you will receive an Employer Contribution of 3 percent of Compensation. If you elect to defer 2 percent of your Compensation, you will receive an Employer Contribution of 5 percent of Compensation. If you elect to defer 3 percent or more of Compensation, you will receive an Employer Contribution of 7 percent of Compensation.

IV. Distribution provisions

Because contributions made to the Plan receive special tax benefits, withdrawals from the Plan are restricted while you are actively employed. You generally may not withdraw your deferral contributions or the safe harbor matching contribution except when one of the following events occurs: severance from employment with Westmont, attaining age 59 ½, death or disability. Additionally, depending on your investment provider, you may be able to withdraw an amount from your pre-tax contributions in the Plan to the extent such amount is necessary to satisfy certain financial hardships.

V. Vesting provisions:

You are always 100% vested in your deferral contributions and in the safe harbor matching contributions that Westmont makes on your behalf.

V. Employer's right to terminate

Pursuant to the terms of the Plan, the Westmont has the right, at any time, to terminate the Plan. Termination of the Plan will result in the discontinuance of all contributions to the Plan (including the safe harbor 403(b) contribution) with respect to any compensation you receive after the effective date of termination. Termination of the Plan will not affect your right to receive any contributions you have accumulated in the Plan as of the effective date of the termination.

VI. For further information

Please refer to the Summary Plan Description for a complete explanation of the Plan features. Please ask the Plan Administrator if you have any questions regarding your rights or obligations under the Plan or if you would like to obtain an additional copy of the Summary Plan Description. You may contact the Plan Administrator at:

The Human Resources Office, Westmont College, 955 La Paz Road, Santa Barbara, CA 93108-1099

Telephone: 805.565.6101

Fax: 805.565.7201

E-mail address: benefits@westmont.edu